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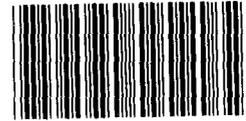
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GENERAL GOVERNMENT
DIVISION

B-216217

SEP 25 1984

The Honorable Bill Bradley
United States Senate



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Dear Senator Bradley:

Subject: Changes In The Responsibilities Of
The U.S. Customs Service's National
Import Specialists (GAO/GGD-84-101)

At your request, we obtained information on recent changes in the responsibilities of the U.S. Customs Service's national import specialists. As agreed with your office, we will address your concerns on the effectiveness of Customs' efforts to ensure the accurate classification of imported products in a separate review we are now doing for the Subcommittee on International Trade, Senate Finance Committee. The objective, scope, and methodology of our study are described in enclosure I.

The primary responsibility of Customs' national import specialists is to provide advice and assistance to import specialists located in each of the 45 U.S. Customs districts in order to ensure Customs-wide uniformity in the verification of the tariff classifications, in the unit values assigned by importers or their brokers, and in the requirements for admissibility of imported products entering the United States. The national import specialists are located in Customs' New York Seaport Area Office and traditionally have also been responsible for processing the Seaport's entries--the documentation for import transactions. However, Customs' studies concluded that the national import specialists' effectiveness was reduced by their responsibility for processing the Seaport's entries. As a result, Customs transferred the national import specialists to a new division within the Seaport and reassigned their responsibility for processing the Seaport's entries to another Seaport division in April 1984.

CUSTOMS' NATIONAL
IMPORT SPECIALISTS

The main objective of Customs' national import specialists is to ensure Customs-wide uniformity in processing import

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entries. To achieve this objective, national import specialists gather and analyze information concerning the classification, valuation, and admissibility of imported products which is obtained from import specialists located in each of the 45 U.S. Customs districts, manufacturers' publications, product samples, trade shows, and visits to importers. They disseminate this information to Customs' import specialists.

The national import specialists respond to inquiries from foreign and domestic manufacturers, trade organizations, and other government agencies concerning importation and documentation requirements. They also conduct seminar training programs on specific importation issues for Customs' import specialists.

NATIONAL IMPORT SPECIALISTS'
DUAL FUNCTION HAS BEEN
ELIMINATED

Until April 1984, Customs' national import specialists were responsible for two functions: (1) national import specialist functions and (2) processing import entries at the New York Seaport. Their dual responsibility was the subject of several Customs studies. In 1971, Customs officials reported to the Commissioner of Customs that the specialists' responsibility for dual functions had decreased their ability to adequately perform either function.¹ The officials recommended that the national import specialists be relieved of the responsibility for processing the Seaport's entries. However, Customs did not implement this recommendation.

In May 1980, Customs initiated another management study of the national import specialists' responsibilities to determine whether the national import specialists should continue to be responsible for processing the New York Seaport's entries. The resulting report recommended a two-phase approach to changing the national import specialists' responsibilities at the New York Seaport.² Customs adopted and implemented this recommendation.

During phase I, January 1982 through April 1984, the national import specialists' involvement in processing the Seaport's entries was gradually eliminated. Under phase II, which took effect in April 1984, the Seaport's Classification and Value Division (to which the national import specialists had been assigned) was reorganized into two separate divisions. The

¹Reorganization of National Import Specialist Functions,
March 12, 1971.

²National Import Specialist Reorganization Plan,
September 1981.

national import specialists were transferred to a new Commercial Operations Division and relieved of their responsibility for processing import entries at the Seaport. The reorganized Classification and Value Division was given sole responsibility for processing the New York Seaport's entries.

ORGANIZATIONAL AND STAFFING CHANGES

Prior to the reorganization, the Classification and Value Division had 68 import specialist teams managed by 14 supervisory import specialists. Each team (1) handled national import specialists functions and (2) processed the Seaport's entries. A national import specialist was in charge of each team and was assisted by two import specialists. One import specialist assisted the team leader in performing national import specialist functions and was also the team manager for processing the Seaport's entries. The other import specialist was responsible for processing the Seaport's entries. There were 42 customs aides who assisted the teams in processing the Seaport's entries.

Customs' New York Seaport officials told us that in the reorganization, the various import specialist positions (including supervisory and national import specialists) were transferred to one of the two divisions based on their prior assignments and responsibilities and on the projected and current workload statistics compiled during phase I of the reorganization. The new Classification and Value Division was given 55 percent of the import specialist positions (124) and Commercial Operations Division received 45 percent of the positions (102) based upon the Seaport's workload estimates for each division. Seaport officials told us that there were about six vacant positions in the new Classification and Value Division and no vacancies in the Commercial Operations Division at the time of the reorganization. The following table shows the allocation of import specialist positions.

<u>Type of position</u>	<u>OLD ORGANIZATION</u> <u>(Single Division)</u>	<u>NEW ORGANIZATION</u> <u>(Two Divisions)</u>		<u>Overall Changes</u>
	<u>Classification and Value Division</u>	<u>Classification and Value Division</u>	<u>Commercial Operations Division</u>	
Supervisory import specialists	14	8	12	+6
National import specialists	68	0	60	-8
Import specialists	<u>136</u>	<u>116</u>	<u>30^a</u>	<u>+10</u>
Total	<u>218</u>	<u>124</u>	<u>102</u>	<u>+ 8</u>

^aThese positions which were established after the reorganization are assistant national import specialists.

After the transfer of the national import specialists to the Commercial Operations Division, 36 import specialist teams were established to process the New York Seaport's entries. Of these, 28 teams have three import specialists each and 8 have four. The teams are headed by import specialists who had formerly acted as team managers prior to the reorganization. New York Seaport officials told us that the staffing for each team was determined by the number of entries and their complexity, and that some staffing adjustments may be required after they obtain and analyze data on the effectiveness of the teams.

The reorganization eliminated the customs aides positions. Of the 42 customs aides, 22 positions were abolished, 4 positions were converted to clerical positions, and 16 were converted to import specialist positions. Seaport officials advised us that the personnel reductions as a result of the reorganization in customs aides and other positions were absorbed by attrition. Seaport officials told us they believe these changes should have little if any impact on the processing of the Seaport's entries.

CONCLUSIONS

The reorganization of the Seaport's Classification and Value Division resulted in an increase of 8 import specialist positions and a decrease of 42 customs aide positions. We were unable to assess the effectiveness of the reorganization that relieved the national import specialists from the responsibility

for processing the New York Seaport's entries and the staffing changes because they were not effective until April 1984. Although Seaport officials recognize that some staffing adjustments may be required, they believe the change in the national import specialists' responsibilities should enhance their ability to ensure Customs-wide uniformity in processing entries.

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At your request, we did not obtain agency comments. We hope the above information responds to your concerns. Unless we hear from you, unrestricted distribution of this report will be made 30 days after the date of the report or at the time of public release of the report's contents by your office.

Sincerely yours,



William J. Anderson
Director

Enclosure

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our study was to provide information on recent changes in the responsibilities of the U.S. Customs Service's national import specialists. The national import specialists have been transferred to a new division within the Seaport and are no longer responsible for processing the Seaport's entries. Since this reorganization was not effective until April 1984, we were unable to assess the effectiveness of the changes in the national import specialists' responsibilities because our review was conducted during March through June 1984.

To accomplish our objective, we interviewed Customs headquarters officials from the Office of Commercial Operations and officials from the New York Region and the New York Seaport. We reviewed the Customs' studies concerning the dual responsibilities of the national import specialists and analyzed the organizational and staffing information provided by Seaport officials. We also reviewed staffing and workload information concerning import specialists positions provided by Customs officials. We discussed the report with Customs officials who agreed with the material presented.

Our review was made in accordance with generally accepted government auditing standards.